SENATE/HOUSE FILE _____

BY (PROPOSED ATTORNEY GENERAL BILL)

A BILL FOR

- 1 An Act relating to the consumer credit code by increasing
- 2 dollar amount limitations for transactions governed by the
- 3 consumer credit code, establishing an exemption from the
- 4 definition of a consumer loan for specified debts secured by
- 5 real property, and modifying filing fees and a penalty for
- 6 creditors and debt collectors.
- 7 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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- 1 Section 1. Section 537.1301, subsection 13, paragraph a,
- 2 subparagraph (5), Code 2009, is amended to read as follows:
- 3 (5) With respect to a sale of goods or services, the amount
- 4 financed does not exceed twenty-five seventy-five thousand
- 5 dollars.
- 6 Sec. 2. Section 537.1301, subsection 14, paragraph a,
- 7 subparagraph (4), Code 2009, is amended to read as follows:
- 8 (4) The amount payable under the lease does not exceed
- 9 twenty-five seventy-five thousand dollars.
- 10 Sec. 3. Section 537.1301, subsection 15, paragraph a,
- 11 subparagraph (5), Code 2009, is amended to read as follows:
- 12 (5) The amount financed does not exceed
- 13 twenty-five seventy-five thousand dollars.
- 14 Sec. 4. Section 537.1301, subsection 15, paragraph b, Code
- 15 2009, is amended by adding the following new subparagraph:
- 16 NEW SUBPARAGRAPH. (5) A debt which is secured by a lien on
- 17 real property with an amount financed that exceeds twenty-five
- 18 thousand dollars.
- 19 Sec. 6. Section 537.3604, subsection 8, paragraph e, Code
- 20 2009, is amended to read as follows:
- 21 e. The amount payable under the consumer rental purchase
- 22 agreement does not exceed twenty-five seventy-five thousand
- 23 dollars.
- 24 Sec. 7. Section 537.6203, subsections 1 and 4, Code 2009,
- 25 are amended to read as follows:
- 26 l. a. A person required to file notification who is a
- 27 creditor shall pay to the administrator an annual fee of
- 28 ten twenty dollars. The fee shall be paid with the filing of
- 29 the first notification and on or before January 31 of each
- 30 succeeding year.
- 31 b. A person required to file notification who is a debt
- 32 collector shall pay to the administrator an annual fee of three
- 33 hundred dollars. The fee shall be paid with the filing of
- 34 the first notification and on or before January 31 of each
- 35 succeeding year.

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- 1 4. In addition to the penalties provided by section
- 2 537.6113, subsection 3, the administrator may collect a charge,
- 3 established by rule, not exceeding twenty-five fifty dollars
- 4 from each person required to pay fees under this section who
- 5 fails to pay the fees in full within thirty days after they are
- 6 due.
- 7 EXPLANATION
- 8 This bill provides for increases in dollar amount
- 9 limitations specified in certain sections of the consumer
- 10 credit code. The increases relate to limitations contained
- 11 in Code sections concerning consumer credit sales, consumer
- 12 leases, and consumer loans with regard to amounts financed
- 13 or leased, and regarding the amount payable under a consumer
- 14 rental purchase agreement, with an increase in the limitations
- 15 from currently specified levels of \$25,000 to \$75,000.
- 16 Further, the bill establishes an additional exemption from
- 17 the definition of "consumer loan" applicable to the consumer
- 18 credit code contained in Code chapter 537, providing that a
- 19 consumer loan does not include a debt secured by a lien on real
- 20 property with an amount financed in excess of \$25,000.
- 21 The bill also increases fees payable by a creditor upon the
- 22 required annual filing of a notification of conducting business
- 23 in Iowa from the current level of \$10 to \$20, and establishes
- 24 an annual filing fee applicable to debt collectors in the
- 25 amount of \$300. A penalty applicable for failure to timely
- 26 file the notification is increased from \$25 to \$50.